

## **BILL ANALYSIS**

Senate Research Center

H.B. 724  
By: Guillen et al. (Zaffirini)  
State Affairs  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Oil and gas production companies send royalty payments to the comptroller of public accounts of the State of Texas (comptroller) when they are unable to find the rightful owners to land grant mineral proceeds. Although there has been a procedure for rightful heirs to claim the proceeds, interested parties contend that the procedure has proven insufficient because the comptroller lacks the data needed to distribute the money. As a result, the comptroller continues to hold this money.

H.B. 724 seeks to remedy this situation by creating a commission to study unclaimed land grant mineral proceeds in order to determine, among other information, efficient and effective procedures under which the state may be required to determine the owners of the proceeds, notify the owners of the proceeds, and distribute such proceeds to the rightful owners.

H.B. 724 amends current law relating to the creation of a commission to study unclaimed land grant mineral proceeds.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. DEFINITION. Defines, in this Act, "original land grant."

SECTION 2. UNCLAIMED MINERAL PROCEEDS COMMISSION. (a) Provides that the Unclaimed Mineral Proceeds Commission (commission) is created to study and provide recommendations to the legislature regarding the distribution of mineral proceeds that are:

- (1) derived from an original land grant;
- (2) owned by a descendant of an original grantee;
- (3) unclaimed and presumed abandoned under Chapter 72 (Abandonment of Personal Property), 73 (Property Held by Financial Institutions), 74 (Report, Delivery, and Claims Process), or 75 (Texas Minerals), Property Code; and
- (4) delivered to the comptroller of public accounts of the State of Texas (comptroller) under Chapter 74, Property Code.

(b) Requires the commission to determine:

- (1) the amount of unclaimed original land grant mineral proceeds delivered to the comptroller that remain unclaimed on December 1, 2014; and
- (2) efficient and effective procedures under which the state is authorized to be required to determine the owners of the proceeds; notify the owners of the proceeds; and distribute the proceeds to the owners.

(c) Provides that the commission consists of the following members:

- (1) three members who represent the interests of land grant heirs, appointed by the governor;
- (2) three members who have expertise in property law, appointed by the governor;
- (3) the lieutenant governor or up to two designees of the lieutenant governor;
- (4) the speaker of the house of representatives or up to two designees of the speaker;
- (5) the commissioner of the General Land Office or up to two designees of the commissioner;
- (6) the comptroller or up to two designees of the comptroller;
- (7) the executive director of the Texas Historical Commission or up to two designees of the executive director; and
- (8) the state historian or the state historian's designee.

(d) Requires the governor, when making initial appointments under Subsection (c), to designate one of the governor's appointees as presiding officer of the commission.

(e) Requires that members of the commission be appointed or designated, as appropriate, not later than December 31, 2013.

(f) Requires the commission to meet not later than the 30th day after the date initial appointments or designations are made under Subsection (c) and to meet regularly as necessary at the call of the presiding officer.

(g) Provides that a commission member is not entitled to reimbursement of expenses or to compensation.

(h) Requires the comptroller or any other state agency, department, or office, on the commission's request, to provide any assistance the commission needs to perform the commission's duties.

**SECTION 3. REPORT ON UNCLAIMED MINERAL PROCEEDS.** Requires the commission, not later than January 1, 2015, to provide to the governor, lieutenant governor, and speaker of the house of representatives a final report on unclaimed original land grant mineral proceeds. Requires that the final report include:

- (1) the amount of unclaimed original land grant mineral proceeds delivered to the comptroller that remain unclaimed on December 1, 2014;
- (2) recommendations for efficient and effective procedures under which the state may be required to determine the owners of the proceeds; notify the owners of the proceeds; and distribute the proceeds to the owners;
- (3) proposed legislation necessary to implement the recommendations made in the final report;
- (4) any administrative recommendations proposed by the commission; and
- (5) a complete explanation of each of the commission's recommendations.

SECTION 4. OTHER LAW. Provides that the commission is not subject to Chapter 2110 (State Agency Advisory Committees), Government Code.

SECTION 5. EXPIRATION DATE. Provides that this Act expires and the commission is abolished on June 1, 2015.

SECTION 6. EFFECTIVE DATE. Effective date: September 1, 2013.